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## Near East and South Asia Review

24 February 1989

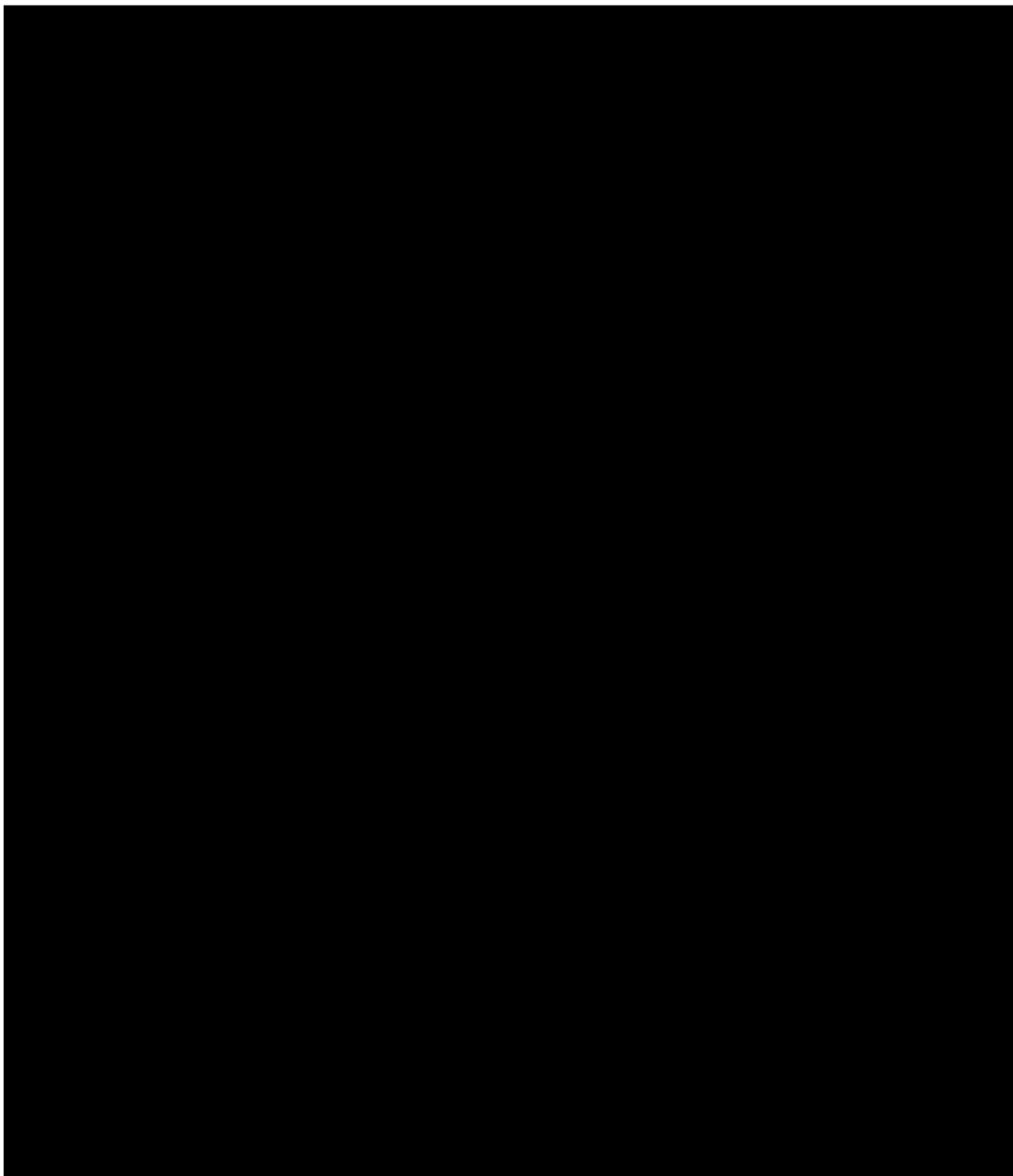
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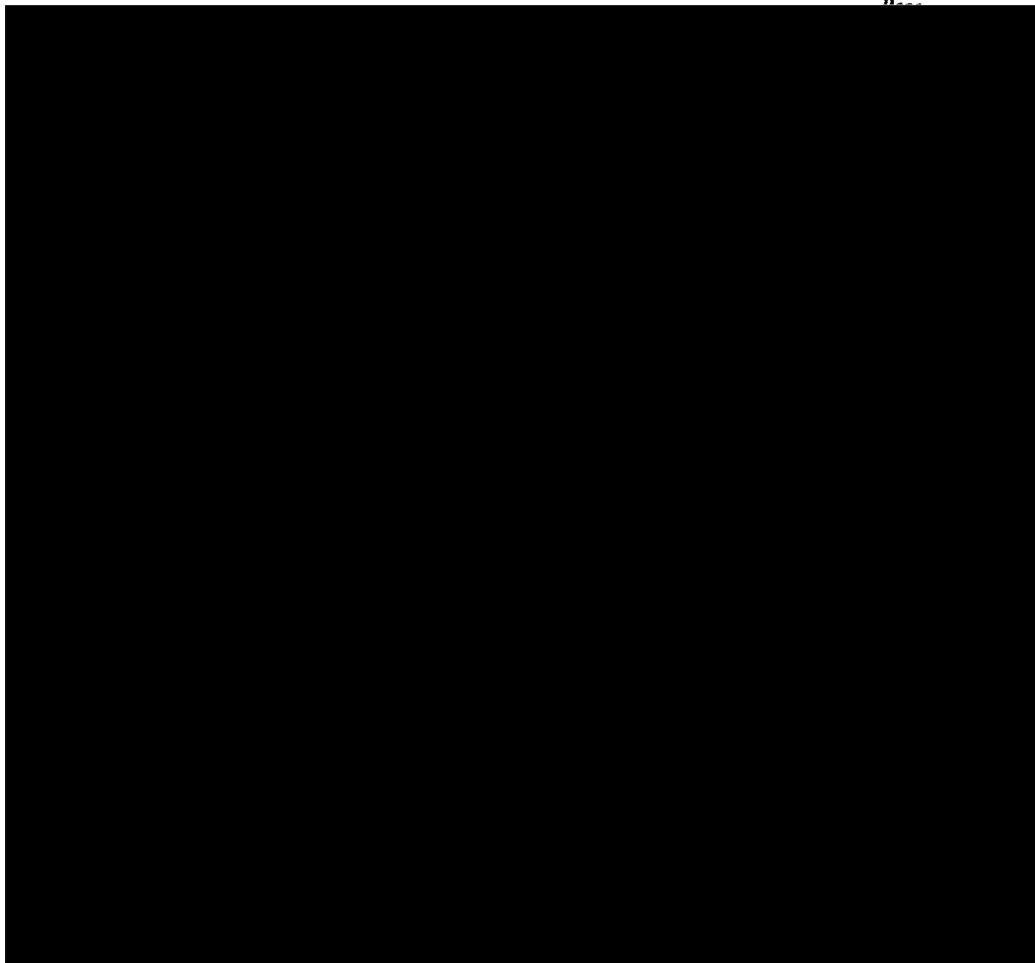


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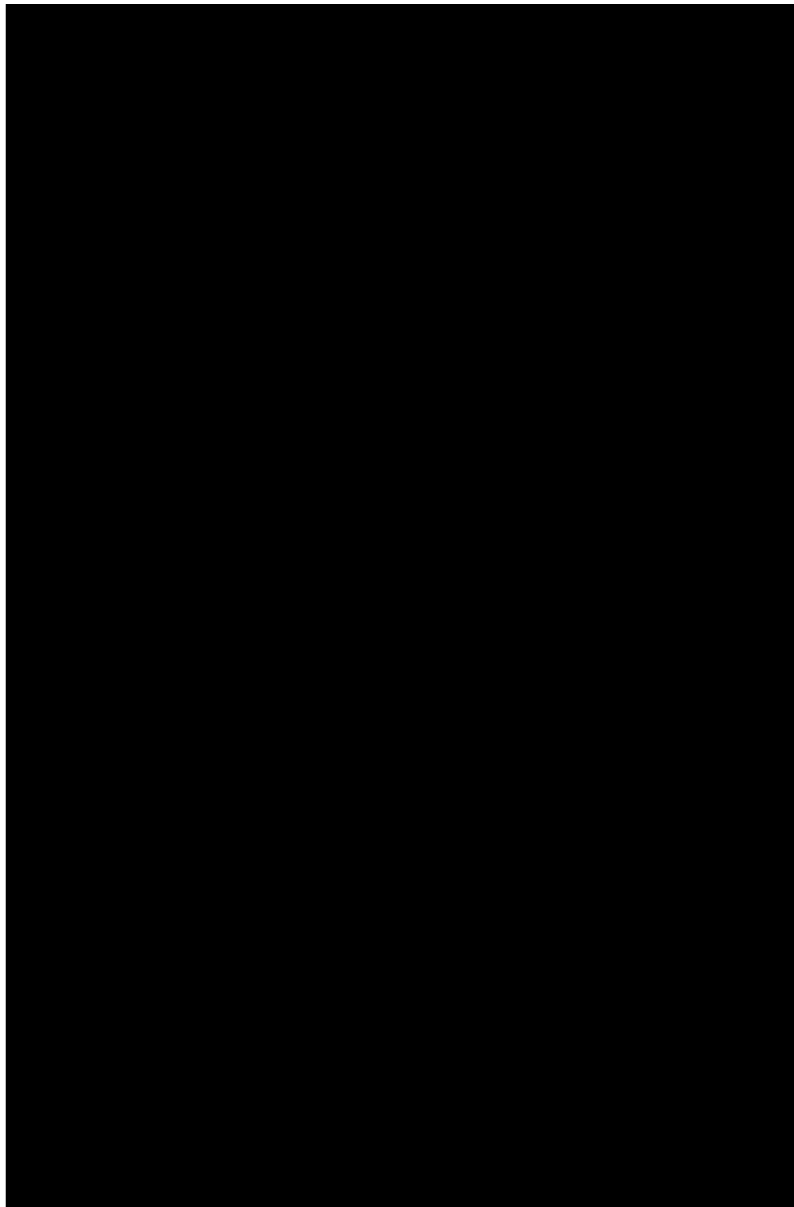
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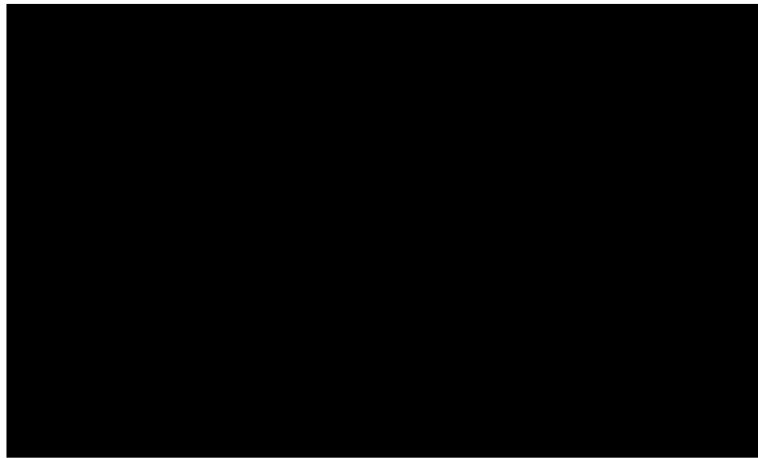


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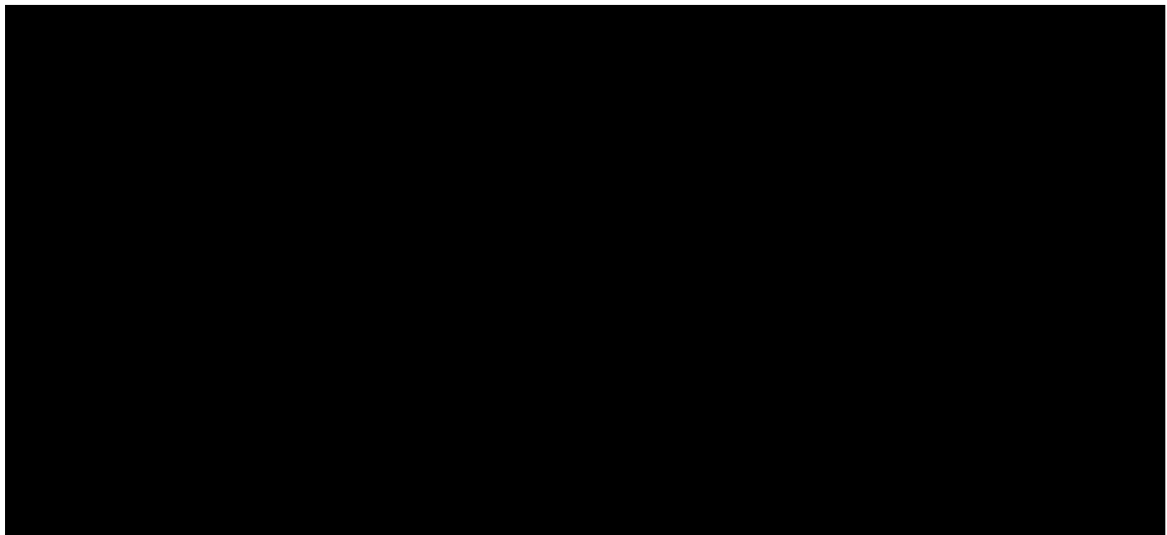
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Nepal's Foreign Policy: Peering Out From the Himalayas ( ) 51



Small and landlocked Nepal has struggled to survive by trying to balance relations with bordering powers India and China. The Nepalese perceive India as the greater threat because of the political and economic pressure that New Delhi can focus on Nepal.



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## Nepal's Foreign Policy: Peering Out From the Himalayas

Small, landlocked, and squeezed between the regionally powerful India and China, Nepal has struggled to survive by trying to balance relations with both countries. The Nepalese perceive India as the greatest threat because of the political and economic pressure India can place on Nepal. Moreover, Indian intervention in Sri Lanka and the Maldives has heightened concern in Kathmandu that it might be next. A weapons deal signed with the Chinese last year for the purchase of trucks, light antiaircraft weapons, and rifles suggests a growing willingness in Kathmandu to counter Indian pressures with gestures of independence.

Nepal also actively solicits broad-based international support to buffer Indian influence and increase recognition of its sovereignty. King Birendra has sought and acquired the signatures of many countries on a proposal that would make Nepal a zone of peace and better ensure its independence. The Nepalese are also seeking improved ties to the Soviets—although cautiously. Despite these efforts, we believe Nepal recognizes it has little choice but to avoid seriously provoking India. The recent thaw in Sino-Indian relations can only reinforce this recognition.

Nepal's strategic significance lies primarily in its role as a buffer between the two Asian giants. India and China are not likely to fight over Nepal, but prolonged instability there could escalate tensions between them. In the event of a serious uprising, Kathmandu probably hopes China would come to Nepal's aid, but the Nepalese probably realize that Indian regional security sensitivities would make Beijing reluctant to intervene. Moreover, the low terrain between Nepal and India gives New Delhi the upper hand.

### Seesawing With the Giants

Academics note that Nepalese leaders for the last two centuries have had to contend with the possibility of external domination and subversion by India or China. Strategically vulnerable, Nepal has no

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### Nepalese-Indian Security and Economic Treaties

Indian clout over Nepal is formalized in two 1950 treaties—the Treaty of Peace and Friendship and the Treaty of Trade and Commerce:

- *The Friendship Treaty assures that each country will respect the other's sovereignty, territorial integrity, and independence. Nepal does not have a formal military alliance with India, but side letters accompanying the Friendship Treaty include Nepal in India's defense perimeter, making any security involvement by Nepal with a third country a matter of serious concern to India.*
- *Under the Treaty of Trade and Commerce, Nepalese or Indian nationals residing in the other's territory are granted rights equal to those of the other's citizens. Under the treaty, Nepal has reaped economic benefits from the thousands of ethnic Nepalese who work in India, although Nepalese shopkeepers complain that Indian businessmen in Nepal have too much economic control, according to defense attache reporting. The Trade Treaty recognizes Nepal's right to import and export commodities through Indian territory and ports, vital because they are Nepal's only practical outlet to the sea. Despite the economic advantages Nepal has gained from the treaty, it pays a political price. India, as a major aid donor and trading partner, uses its considerable economic leverage to exercise strong influence over Nepalese foreign policy.*

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leverage over either neighbor and was once aptly referred to by an early Nepalese king as a "root between two stones." [REDACTED]

**The Indian Presence.** Nepal views India's security pretensions in the region as onerous and lacking in respect for the integrity of smaller South Asian countries. [REDACTED]

Nepalese officials are disgusted with the diplomatic and economic pressure India applies on Nepal. [REDACTED]

Moreover, Nepal's leadership is haunted by fears that India will someday intervene without an invitation during a time of instability in Nepal. Indian strategists traditionally have considered Nepal to be an Indian-dominated security buffer between India and China, reinforced by the natural barrier that the Himalayas create along the northern tier of Nepal.

[REDACTED] Nepalese concerns over India's intentions have been heightened by Indian military intervention in Sri Lanka in 1987 and in the Maldives last year. [REDACTED]

In an effort to put distance between themselves and India, the Nepalese play up cultural differences between the two countries. Some Nepali scholars have gone so far as to concoct a somewhat fictitious history of ties to China as a counterbalance to links to India, notes a Western academic. Despite Nepalese assertions of their separate identity, Nepal and India share a long open border and are linked by historical, cultural, religious, and economic factors. For instance, many elite Nepalese are educated in India, are married to Indians, speak the same language, and practice the same religion as Indians, weakening Nepalese efforts to assert their distinctiveness. [REDACTED]

**The Chinese Counterbalance.** Nepal has found a needed ally in China. In contrast to the grating style of Indian diplomacy, the Chinese treat Nepal as an equal and independent country. [REDACTED] although Nepal has historically been much more involved with India than with China, Nepalis judge the Chinese by their overt actions, while judging Indians more by their projected psychological image. [REDACTED] what the Nepalese

believe the Indians mean is more important than what the Indians do. [REDACTED]

Nepal has found China generous on economic and boundary issues that affect the two countries. [REDACTED]

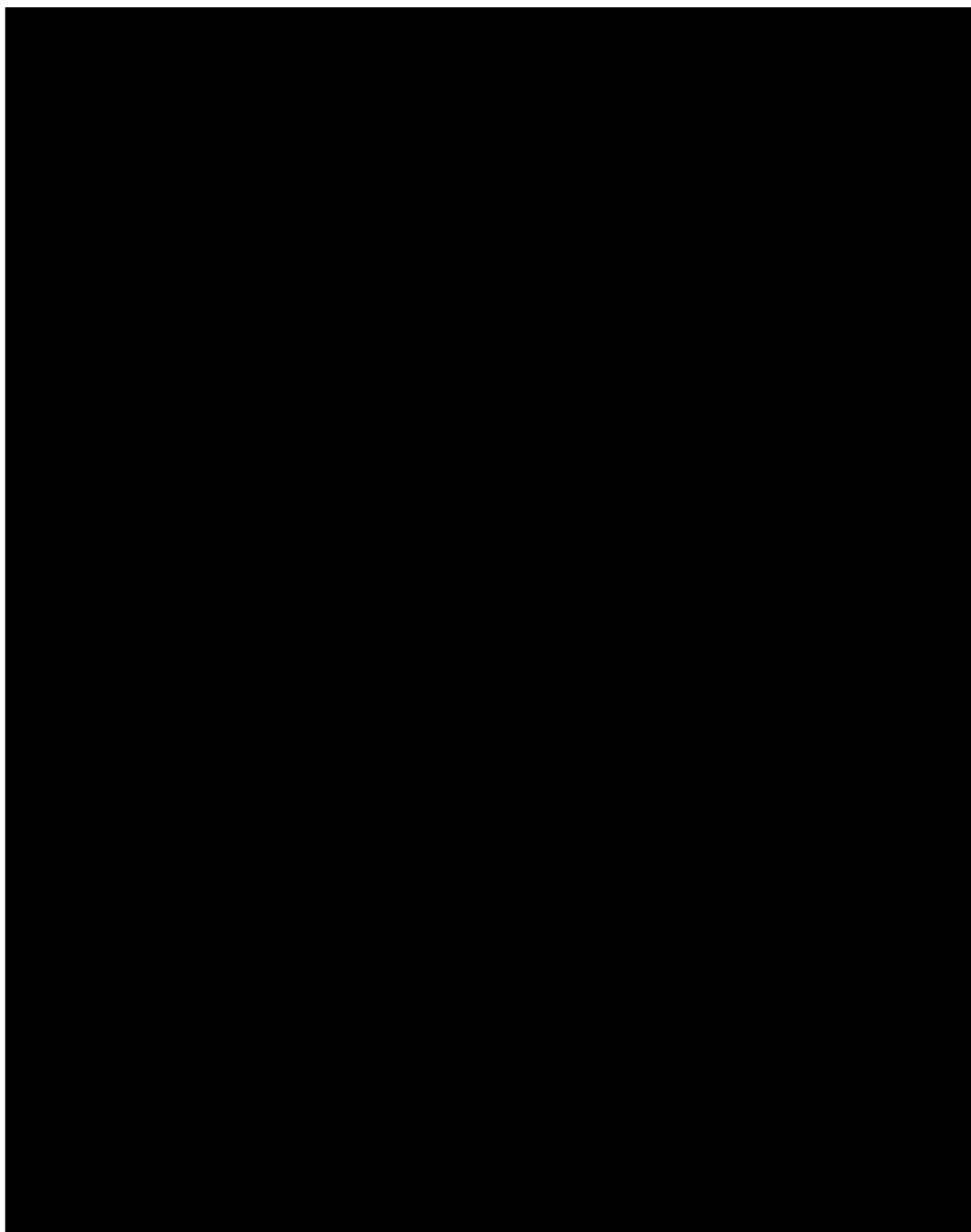
[REDACTED] the Chinese have been a significant contributor of project assistance to Nepal, with much of their effort concentrated in high-visibility ventures such as road construction and the building of a sports stadium in Kathmandu. Representatives of Nepal and China have met periodically to discuss boundary issues, with the two countries completing a joint inspection of their common border in mid-1988, according to press reports. [REDACTED]

**The Indian Reaction.** Kathmandu's foreign policy overtures to China have been poorly received by New Delhi. The most recent test of Nepal's efforts to weaken India's grip through Chinese assistance came last year when Kathmandu [REDACTED] concluded its first weapons deal with Beijing, which included the purchase of Chinese trucks, light antiaircraft weapons, and rifles. [REDACTED]

Another such deal is unlikely this year. Nepal is concerned that India may not sign a trade treaty currently up for renewal. [REDACTED]

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#### **Looking for Additional Support**

Nepal has actively sought other foreign contacts and arrangements besides ties to China to buffer Indian influence. Nepal may view these channels as a safety net should improved Sino-Indian relations eventually diminish its confidence in Chinese backing. [REDACTED]

**SAARC.** Nepal has sought collective security through participation in the South Asian Association for Regional Cooperation (SAARC), a regional organization begun in 1985 that includes Nepal, India, Pakistan, Maldives, Bangladesh, Sri Lanka, and Bhutan. SAARC is headquartered in Kathmandu, and the organization has offered Nepal and the other smaller South Asian states a partial outlet for airing their grievances. Indian insistence on dealing with the smaller countries bilaterally on important issues, however, will continue to hamper Nepal's ability to rely on SAARC as a strong counterbalance to India's influence. [REDACTED]

**Zone of Peace Proposal.** King Birendra has been seeking international recognition of Nepal as a zone of peace as another means to counter Indian regional supremacy. The core provision of his concept is that Nepal will not permit its territory to be used for hostile action against any other state and expects reciprocal treatment. Moreover, Nepal will maintain a policy of friendship and nonalignment with all countries. Nepal's Constitution includes the zone of peace as a stated principle of Nepalese foreign policy, and at least 100 countries have expressed support for it. India has not, however, and is unlikely to endorse any proposal that attempts to reduce its security options in the region. [REDACTED]

**Soviet Union.** Nepal has moved cautiously to improve relations with Moscow. Kathmandu may hope the Soviets will persuade India to take a gentler approach toward relations with Nepal. [REDACTED]

#### **Prospects**

We believe the Nepalese will persist in trying to diversify and maximize Nepal's relations with other countries to promote independence from India. At the same time, Kathmandu is aware of the limitations placed on it by political, geographic, and economic vulnerabilities and has little choice but to temper its foreign policy to avoid seriously provoking New Delhi. Nepal's leaders will continue to focus on gathering international support for their zone of peace proposal. They probably have concluded, however, that continued Indian opposition to the agreement will be a formidable obstacle. [REDACTED]

The Nepalese will continue to look to China as a major ally in countering India's heavyhandedness. We foresee no change in cordial Nepalese-Chinese relations, although the Tibetan refugee situation poses a possible source of friction. [REDACTED]

Kathmandu began restricting the entry of Tibetan refugees last year at China's request. [REDACTED]


[REDACTED] Nepal will not return refugees accused by China of dissident


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
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#### ***Coping With the Consequences of Foreign Influence***


*An active foreign policy has its drawbacks. King Birendra is becoming concerned about the impact of outside influences in Nepal, a side effect of Kathmandu's efforts to gain more international recognition. Before the 1970s foreigners were a rarity in Nepal. Birendra's father, King Mahendra, was largely responsible for opening the kingdom to the outside world. Since then, foreigners in Nepal—officials and tourists—have increased considerably, and Birendra probably has become concerned about the potential for domestic instability as more Nepalis come in contact with outsiders.*



Although we believe India and China will not fight over control of Nepal, prolonged instability there could lead to intervention by one or both powers and trigger a return to heightened tensions between the two. India especially would be likely to view with alarm any internal development, such as the fall of the monarchy, that would create leadership problems in Nepal. 

Nepal probably likes to believe that China would come to its aid in the case of a serious uprising. The Nepalese probably realize, however, that, when push comes to shove, they would have little choice but to solicit Indian assistance. We judge that India would move quickly against any Nepalese efforts to turn to China for military aid in dealing with domestic unrest, which would most likely occur in Kathmandu. Nepal's topography also favors Indian intervention. The terrain separating India and Nepal is relatively low, facilitating troop movement, whereas the Himalayas that separate Nepal and China present a formidable barrier to the transit and sustained support of military forces. 



activities—last September it did return 26 illegal Tibetan aliens—but instead will try to curb the refugees activities against China. Should the issue escalate, Nepal might have to choose between provoking Beijing or having to deal with considerable humanitarian pressure. 

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